

Commerce, Community and Economic Development

Applicable Program

Insurance: all programs

Indirect Expenditure Name

Alaska Fire Standards Council Tax Credit

Department of Revenue Submission per AS 43.05.095

(1) Description of Provision

Tax credit for gift to Alaska Fire Standards Council. Allowed up to tax on fire premiums written.

(2) Authorizing Statute Regulation or Other Authority

AS 21.96.075

(3) Year Enacted

2000

(4) Sunset or Repeal Date

Can only claim up to \$150,000 but when combined with other tax credits allowed up to \$5,000,000 until 2021 when it goes back down to \$150,000.

(5) Legislative Intent

Rep. Gene Therriault, sponsor of the bill, was approached by the Alaska Fire Chiefs Association to establish a tax credit to help fund the Alaska Fire Standards Council operations. The Council was assigned to find alternative funding methods and determine funding by offering a tax credit to the insurance companies and allows a tax credit for contributions made.

(6) Public Purpose

Encourage donations for the Alaska Fire Standards Council.

(7) Estimated Revenue Impact

FY 2009 - \$0

FY 2010 - \$0

FY 2011 - \$0

FY 2012 - \$0

FY 2013 - \$0

(8) Cost to Administer

N/A

(9) Number of Beneficiaries

None

Legislative Finance Analysis per AS 24.20.235

(1) Estimate of Annual Revenue Foregone by the State

\$0

(2) Estimate of Annual Benefit to Recipients

\$0

(3) Legislative Intent Met?

No -- no money has ever been donated, therefore, the credit appears to be ineffective.

(4) Should it be Continued, Modified or Terminated?

Recommend reconsideration. The legislature may want to review this tax credit to determine if it is still applicable and potentially terminate the tax credit if it is deemed ineffective.